

Meeting Minutes

ICC Banking Commission Annual Meeting 2023

Tuesday 24 October 2023 and Wednesday 25 October 2023

Tuesday, 24 October 2023

1. DOCDEX Rules and Procedures

Alya Ladjmi, David Meynell, Yevhenii Vasylychenko, Emile Rummens, Docdex experts

David Meynell, Senior Technical Advisor, highlighted the role of DOCDEX rules in resolving trade finance disputes and provided insights into specific cases. DOCDEX, administered by the ICC International Centre for Amicable Dispute Resolution (ADR), has been instrumental in addressing discrepancies and issues related to international trade finance instruments. DOCDEX covers various trade finance products and offers expertise across different aspects of trade finance. Looking at around 100 of the last decisions, almost half affect the UCP, followed by URDG and URC. Discrepant documents and standard for examination of documents were identified as common sources of disputes. A few cases were discussed that underscored the importance of adhering to international trade finance rules and best practices to prevent disputes and ensure smooth transactions.

Alya Ladjimi and Yevhenii Vasylychenko from the ICC Centre for ADR presented the rules and procedures of DOCDEX, along with the case load and other statistics for ICC DOCDEX proceedings. They further highlighted the advantages of the procedure - an efficient and cost-effective dispute resolution method, remarkably quick, expert determinations are rendered by renowned experts in the field, decisions carry the weight of ICC interpretation and are confidential and often are brought before local judges as expert's views.

Additionally, Emile Rummens discussed the practical aspects of being a DOCDEX expert.

Full recording of the DOCDEX session is available here:

<https://iccwbo->

[org.zoom.us/rec/share/9rmC258x47lc5kqcaTwS1W8oWnDt_yJWM_dFllYvSPzwxPo91kFZYq-7yTLX5BQQ.0NiyF0PjQjL9remR](https://iccwbo-)

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2. Consolidated Draft Opinions

Technical Advisors team: David Meynell, Kim Sindberg, Glenn Ransier, Gary Collyer, Farideh Tazhibi, and Saibo Jin

Following requests, David Meynell presented four new draft opinions - TA931, TA932, TA933, TA934. Which were debated, revised, and approved according to ICC Opinion procedure. He also introduced the newly appointed technical advisors - Farideh Tazhibi and Saibo Jin.

Overall, 29 ICC National Committees provided comments for this session. We remind you that in case of full agreement we still require National committees to mention it to the Secretariat and the technical advisors team.

The conclusion and added comments pertaining to each draft opinion were discussed and deliberated on. Recap:

i. TA931

Invoice & Shipping Certificate discrepancy

- 28 NCs agree with conclusion (13 with added comments)
- No NCs disagreed

ii. TA932

Query: Delivery of documents under URC 522

- 28 NCs agree with conclusion (13 with added comments)
- No NCs disagreed

iii. TA933

Query: Refusal notice & late presentation

- 27 NCs agree with conclusion (6 with added comments)
- 1 NC disagreed

iv. TA934

Query: CMR & EUR1 Certificate

- 28 NCs agree with conclusion (6 with added comments)
- No NCs disagreed

The changes discussed in the session have been incorporated and the revised final opinions have been shared.

Furthermore, technical advisory briefings were discussed – seven have already been published, and the “Handling of Certificates under Documentary Credits subject to the UCP 600” is expected to be finalised by mid-November and published by the end of the year. Future briefings include No. 9: Presentation of documents direct to Issuing Bank (pre-

draft) and two potential new briefings – amendments and issuing bank change (subject to change based on priorities).

There are already five draft opinions for January 2024.

Finally, the dates for future meetings were discussed:

- 23 January 2024 – Opinions only (Online)
- April 2024 (TBD) – Plenary Meeting (Hybrid)
- 2 July 2024 – Opinions only (Online)
- October 2024 (TBD) – Technical Meeting (Hybrid)

Full recording session of the Opinion Session is available here:

<https://iccwbo-org.zoom.us/rec/share/f-Uf5uRu82UKwvnAWfVpmaxRvP0PNDJYevheFA2nuHMOKeuvINersiMab-QIVSMO.DIVxhzXbyDoKprdD>

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Plenary Meeting

Wednesday, 25 October 2023

v. Introduction

Lynn NG, ICC Global Banking Commission Chair

Chair Lynn NG welcomed everyone to the plenary session and expressed happiness to see a large turnout in person and online. She reminded her earlier call on all members of the ICC Banking Commission to uphold and defend the rules and standards set by ICC. She emphasised the need for improvement and stressed that it should start with each member. She further highlighted the importance of understanding the intent behind the rules, which ultimately aim to make trade accessible and trustworthy, and emphasised the responsibility of members to uphold the integrity of the industry.

The importance of technical experts and ICC's role in setting the tone and providing structure for its members was also acknowledged by the Chair. She mentioned the ICC Academy as a resource for building knowledge and expertise.

On the topic of dispute settlement, she encouraged members to use ICC's arbitration processes to resolve disputes efficiently and sensibly rather than resorting to costly legal processes. Finally, the significance of digitalisation in trade was highlighted and the Chair commended the progress made by DSI (Digital Standards Initiative). She called on all members to support the rollout of these digital initiatives and mentioned the importance of sustainability efforts.

Working Group Updates

vi. ICC DSI – Data validation points

Pamela Mar (ICC DSI) and Merlin Dowse, Vice chair Banking Commission (JP Morgan), Echithran Fernando (ScotiaBank), Tamar Gugushvili (TBCBank), Alexander Thompson (WellsFargo)

In the presentation, Pamela Mar and Merlin Dowse, Echithran Fernando, Tamar Gugushvili and Alexander Thompson discussed the work of the ICC Digital Standards Initiative (DSI) in creating harmonised digital standards for global trade. The DSI operates on three main pillars: developing standards, addressing legal considerations, and driving adoption.

The DSI aims to transition from physical trade documents to digital data elements and is working on analysing and recommending standards for key trade documents. The initial batch of work has already been released, which includes recommendations for seven frequently used trade documents such as bills of lading, invoices, and warehouse receipts. The upcoming second batch of work will encompass documents related to finance, payments, transport logistics, and documents of title.

The presentation covered the joint efforts provided by ICC Banking Commission working in defining data elements for documentary collections, documentary credits, and supply chain finance. For supply chain finance, the presentation highlighted that it relied on fewer data fields, often eliminating the need for physical documents. It underscores the importance of refining standards, addressing legal aspects, and promoting interoperability and electronic messaging.

Mandatory and optional data elements have been identified for different documents and the need for greater data granularity, integration, and simplification to reduce administrative burdens has been noted based on feedback. The presentation also mentioned ongoing pilot projects and the challenges faced by banks in adopting these standards. Finally, they discussed the potential benefits of these standards and the need for a roadmap for banks to implement them.

vii. ICC-SWIFT initiative – Creating APIs for trade finance products

Sharad Sinha, Global Head for Guarantees and Standby (Standard Charter Bank)

Sharad Sinha presented the development of common standards and guidelines for using APIs (Application Programming Interfaces) in trade finance following the release of [ICC-Swift Model API](#) for guarantees and Stand-by letter of credits. The primary aim was to enhance efficiency across all stakeholders in the trade finance ecosystem. The presentation focused on guarantees products and outlined the API lifecycle, [security](#)

[considerations](#), and an approach to ensure compatibility with existing back-office systems. ISO standards were chosen to future-proof the project, and the goal was to make the standards technology agnostic and open source. Collaboration and commercialisation efforts were highlighted as crucial for industry-wide adoption. Additionally, the presentation mentioned upcoming work on attachment APIs and common use APIs, which would contribute to an end-to-end solution in trade finance.

<https://developer.swift.com/reference#bank-guarantee> (payload)

<https://developer.swift.com/reference#bank-guarantee-notification> (notification)

viii. Financial Crimes and Risks Policy Taskforce – Latest guidance papers

James Yate, Chair ICC Financial Crime Taskforce (HSBC)

James Yates, Chair of the ICC Financial Crime Taskforce and Head of Risk Management at HSBC's Global Trade and Receivables Finance Business, provided an overview of the task force's work in 2023 and outlined its planned focus areas for 2024. The task force, comprising representatives from 26 global and regional banks, meets quarterly to discuss financial crime, compliance, and related challenges, aiming to offer best practices and guidance for market players. In 2023, they produced two guidance papers on dual-use goods and price checking, which garnered significant interest from organisations like the UN and national regulators.

The [dual-use goods paper](#) outlined six major challenges faced by financial institutions in dealing with goods that could potentially serve both legitimate and illicit purposes. These challenges included difficulties in identifying such goods, the absence of a universal list of dual-use items, and the deliberate obfuscation by bad actors. The [price checking paper](#) delved into the challenges of identifying money laundering through over-invoicing and under-invoicing in trade transactions.

Looking ahead to 2024, the task force plans to focus on fraud risk in trade finance, particularly in the commodity sector, and address the compliance burden on trade finance products, aiming for a more balanced approach that benefits smaller businesses.

Reminder that the taskforce is open to all members working within the compliance department of their banking institution. Nomination can be shared directly with the ICC Secretariat.

ix. Guarantees Taskforce

Andrea Hauptmann, Chair Guarantees Taskforce

In her presentation, Andrea Hauptmann highlighted the past and current activities of the Guarantee Task Force. The task force's responsibilities include promoting a wider use of URDG; organisation/participation in local, regional and international seminars and conferences, monitoring international guarantee practice, related court rulings, as well as national laws and regulations.

The task force has closed discussions on three major topics: URDG 758, ISDGP, and SWIFT changes 2020. Discussing current projects, she discussed the project regarding customs guarantees with the WCO that aims to simplify the use of customs guarantees globally which can be complicated due to variations in regulations across countries. The first draft deals with the temporary export of goods in the European Union.

Additionally, the task force is working on compiling local laws and practices related to guarantees, although challenges related to publication and keeping the information up-to-date persist. They are considering partnerships with global law firms to assist with this project. The presentation also mentioned discussions around the use of artificial intelligence for electronic guarantees.

Additionally, the task force plays a vital role in issuing official opinions on guarantee-related matters and monitoring new SWIFT message types. The advocacy efforts in maintaining a credit conversion factor (CCF) of 20% were also highlighted with a special acknowledgment to the advocacy group. The negotiations with the Basel committee and jurisdictions are still ongoing to implement this change globally.

Overall, the Guarantee Task Force continues to actively engage in various projects and initiatives to promote, commercialise and improve the use of guarantees in international trade.

x. Guarantees Standards for sustainable trade and trade finance

Raelene Martin, Head of Sustainability (ICC Secretariat) and Tomasch Kubiak, ICC Global Banking Commission (ICC Secretariat)

Raelene Martin presented the progress made on the development of a [sustainable trade framework](#) (Wave 2) which aims to define common standards for sustainable international trade. Key priorities for this framework included incorporating feedback from the [Wave 1 pilot](#), introducing ESG scores, applying a graded scale for sustainability assessment, broadening the scope to additional sectors, and incorporating transportation into the framework.

The framework aims to support sustainability in international trade, with a focus on reducing carbon emissions and promoting transparent sustainability practices. Certain limitations of the Wave 2 Framework were acknowledged, such as the combining of climate and nature in the environmental dimension due to data limitations. Additionally, there is limited information available for assessing socioeconomic sustainability. The framework does not yet adjust for regional or jurisdictional differences in sustainability maturity, and grades are limited to single transactions rather than entire supply chains. There is also a need to automate the document submission process in the future.

The timeline for the project includes a pilot launch, feedback collection, and the official launch of the Wave 2 Framework at COP28. Ongoing work will involve further development and refinement of the framework, with the goal of addressing these limitations and making it a valuable tool for sustainable international trade.

xi. Guarantees ISBP next steps proposal

David Meynell, Senior Technical Advisor

David Meynell provided an update on the follow-up to the meeting held in April regarding ICC Banking Commission alignment with ICC Opinions. On 1 July 2023, ICC released ISBP 821, and feedback was sought from ICC National Committees on whether further action was needed. It was observed that most problems in trade finance arise in document examination, and while some issues existed in issuance, advising, and confirmation practices, they were not sufficiently standardised to warrant in-depth work.

As a result, the issues related to ISBP 821 were referred to the Banking Commission Steering Committee. Currently, the Banking Commission has the guidance note on documentary credit formats, guidance papers from the ICC Academy, briefing papers for the Technical Advisory Team on key issues, and the ICC opinions.

The Banking Commission decided to take specific actions, including the formation of a small working group consisting of the “Briefing Papers” Technical Advisory Team. This group will evaluate ISBP 821, considering existing content in line with current market practices, as well as evolving practices. The work will begin in November 2023, with the final report to be presented during the Banking Commission Plenary session in April 2024. ICC National Committees will then decide on further actions based on the results of this evaluation.

Full recording of the Plenary meeting is available here:

https://iccwbo-org.zoom.us/rec/share/QGe4S2v_t64oa_0fU-fnZZDPvMJwOjKf7VYQkqw7I7Vq-fhcQDNYz0eKXC6yJrUY.DTF8_a4alZcjYh-O
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Varia:

ICC Academy:

ICC Academy courses, sessions and knowledge are available on their dedicated website.

Specific trade finance courses and certification are available for various level. The academy also developed a specific Incoterms certification available [here](#).

2023 ICC Trade register report:

The yearly report building on data gathered from our member banks will be published in the course of November. Latest insights and data on trade finance performance will be included and [available for purchase](#).

eUCP Directory:

The [eUCP directory](#) showing each banks' capacity in using eUCP credits is now available on the ICCWBO website. It is meant to strengthen the conversation around the eRules, raise awareness at corporate level and participating in the paperless trade conversation.

Banks which wishes to have their information included in the directory can contact the ICC Secretariat directly as well as their local Banking Commission. Only a few elements are compulsory:

Swift number*

Capacity to issue eUCP LCs*

Capacity to advise eUCP LCs*

Parameters (platform used, limitations or additional features proposed by your bank)

Country*

Contact

ICC Knowledge2GO:

This is the [dedicated page](#) to purchase ICC rules, guidelines and documentation around ICC banking rules. Our latest update [ISBP 821](#) is also available.

ICC Digital Library:

In addition to the [Opinions and DOCDEX cases](#) being stored, you will also find all the available [issue briefings](#) (in English and Mandarin Chinese) as well as the [commercialisation](#), [API group briefing](#) which includes the security specification.

Feedback Survey:

Your input is essential to help us improve and make future meetings even better. Please take a few minutes to complete our brief Feedback Survey by clicking on the link below:

<https://forms.office.com/e/D0Tkq80HBC>

or use the QR code below:

